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ABSTRACT

This publication gives examples of employment programs for experienced workers taken from the National Older Workers Information System (NOWIS), a computerized system of information on more than 140 experienced worker employment programs in public and private sector organizations. (Maintained by the Business Partnerships Program of the American Association of Retired Persons, NOWIS is available at no cost as a resource for employers interested in learning about innovative ways to use the skills and experience of older workers.) The types of employment programs described in this publication include those promoting full-time and part-time job opportunities, job redesign, effective transition to retirement, and job training. The small, medium, and large companies sponsoring these programs represent several types of business and industry, including high technology, insurance, banking, and manufacturing. The employment programs are categorized as follows: part-time opportunities (rehiring or hiring of older experienced retirees and hiring of former employees as "temps"); full-time opportunities; training experienced workers to meet new job challenges; redesigning jobs for a changing work force (job sharing, matching jobs and workers, and working away from the work site); and providing an effective transition to retirement (phased retirement and rehearsal for retirement). Appendixes include an index of employers and sources of more information. (YLB)

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Using the Experience of a Lifetime

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NOWIS: An Employer-to-Employer Data Base of Programs Utilizing Experienced Workers

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Using the Experience of a Lifetime

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National Older Workers Information System

This publication gives examples of employment programs for experienced workers taken from the National Older Workers Information System (NOWIS). NOWIS, developed by the University of Michigan's Institute of Gerontology, is a computerized system of information on more than 140 experienced worker employment programs in public and private sector organizations. Maintained by the Business Partnerships Program of the American Association of Retired Persons (AARP), NOWIS is available at no cost as a resource for employers interested in learning about innovative ways to utilize the skills and experience of older workers.

The types of employment programs described in this publication include those promoting full-time and part-time job opportunities, job redesign, effective transition to retirement and job training. The small, medium and large companies sponsoring these programs represent several types of business and industry including high technology, insurance, banking and manufacturing.

These and many other employers have discovered that ability, not age, is the prime consideration when developing effective employment practices and motivated, productive employees.

New Ideas About Older Workers

Americans are living longer, healthier, more productive lives. One of every eight Americans today is 65 or older. By the year 2030, that number will swell to one in five.

This demographic change has profound implications for our society and our economy. Take Social Security: if the present trend toward early retirement continues, by the year 2030 there will be only two workers supporting each Social Security recipient.

An AARP survey of retirees found that one-third of them would prefer to work. Other polls report 51 percent of all workers surveyed would like to work past age 65.

A study by DYG, Inc., a major national research firm, found that employers had positive attitudes toward older workers and an appreciation of their "work ethic" which includes a commitment to quality, loyalty and a dedication to the company as well as punctuality.

Despite this, experienced older workers are often overlooked and undervalued by employers. The reason: many employers have not kept pace with the changing work force. Although Congress has all but eliminated mandatory retirement, many employment policies and practices discourage employees from extending their careers.

Fortunately, an increasing number of employers is discovering that experienced workers are a valuable resource. The result has been

development of a range of programs that unites common sense with sound business practices.

To help employers expand employment options for experienced workers, AARP's Business Partnerships Program has prepared this publication highlighting some of the successful programs in operation.

Part-Time Opportunities for Experienced Workers

Older workers bring the skills and experience of a lifetime to a job. Their reasons for seeking part-time employment are as varied as their needs. Some want to supplement retirement income; others want the intellectual challenge and stimulation of working. Their attributes as well as their goals tend to make them highly motivated.

Texas Refinery Corporation

At the Texas Refinery Corporation (TRC), headquartered in Fort Worth, experienced workers are among the most highly motivated—and successful—of the firm's salespeople.

TRC has an age-neutral recruiting policy. When hiring, the company considers talent, self-motivation and life experience. Its sales force of 3,000 covers more than 100 countries. About 500 members are in their 60s, 70s and 80s.

Following intensive training seminars, sales reps call on present or potential clients. Hired as independent contractors, most work part-time to supplement Social Security benefits.

Company representatives work in their communities and receive commissions, bonuses and benefits based on sales. According to the company president, TRC's experienced employees are more loyal and reliable and work harder than other workers. Although many of the older salespeople are part-timers,

there are numerous top producers and earners in the over-60 group.

Northwest Pipeline Corporation/Williams Field Services

Northwest Pipeline Corporation in Salt Lake City, UT, is involved with the production, gathering, processing and transportation of natural gas. The corporation created an on-call program for older workers interested in working a few days or weeks each month in temporary, part-time positions.

On-call temporaries are contracted through a temporary agency or job service to process gas measurement charts and other measurement-related documents. Most participants have retired from other companies and are generally unfamiliar with the job. Once hired, they receive on-the-job training. Within a few months, their proficiency has increased significantly.

The participants generally work year-round between 40-50 hours each month and some have worked for the company for several years.

Like regular employees, on-call temporaries can increase their wages based on their skill and productivity. Northwest Pipeline acknowledges performance by initiating rate increases through the temporary agency for every 2,000 hours worked.

Home Shopping Network

Home Shopping Network (HSN), based in Clearwater, FL, broadcasts retail programs 24 hours a day, seven days a week, to more than 70 million households across the country. To meet its staffing needs, HSN established the Prime Timer program in 1990 to offer persons age 55 and older an opportunity for flexible, part-time jobs.

The company sought experienced workers to enter phone orders for merchandise into the company computer (while monitoring the broadcasts for merchandise information). To recruit applicants, a full-time coordinator worked with the Chamber of Commerce and Senior Service Centers, sponsored Senior Job Fairs, distributed flyers at Senior Centers and placed ads in local newspapers.

Prime Timer employees are paid the same rate as full-time staff. They receive a 40 percent discount on merchandise, and are eligible for the Federal Credit Union and the 401(k) program. Full-time employees (who work at least 30 hours a week) receive a comprehensive health care package.

Experienced Workers Provide Needed Skills

Older experienced retirees are frequently rehired by their employers full or part-time because they have the critical skills and work ethics employers value. Employers also often

hire retirees from other companies for the same reasons.

Aetna Life and Casualty

Aetna Life and Casualty, based in Hartford, CT, is one of the leading financial services organizations. Aetna provides a variety of services for its experienced workers and retirees that range from retirement planning activities to rehiring retirees.

While Aetna has a long history of offering temporary job assignments to retirees, in 1988 they launched a concentrated effort to develop a strong program to rehire retirees as temporary employees. Aetna designed a marketing campaign to recruit retirees, offering them full and part-time jobs and free computer-based job training.

Classified as Senior Temps, they can work up to 960 hours a year before affecting their pension. Aetna did this to address a shortage of skilled labor and provide more flexibility for its managers.

Argonaut Insurance Company

Also faced with a shortage of qualified job applicants, Argonaut Insurance Company, a major underwriter of Worker's Compensation, found it difficult to replace retiring technical staff.

So in 1989, the California-based company

began to rehire retirees as contractors to provide problem-solving abilities as needed in highly technical positions. In doing so, retirees have an opportunity to continue in the same position on a contract basis and the company retains the retiree's expertise. Typically, contractors have at least 20 years of experience in their field.

As "designated employees," retirees are hired through a renewable contract. Salaries are calculated based on their previous salary. A small amount may be added to adjust for the benefits they are no longer eligible to receive. Contracts are task and not hourly-driven. Retirees are not bound by a traditional workweek. They can work less than five days a week or fulfill their contract faster than agreed.

The Prudential

The Prudential, headquartered in Newark, NJ, provides a wide range of insurance and other financial services to more than 50 million people.

In 1983, the company began rehiring its retirees on a trial basis in the corporate office. Interested retirees were offered part-time positions, up to 50 percent of full-time and no more than 1,000 hours a year. This option has been extended to all employees up to the first level of middle management.

The program stemmed from the realization

that company experience is an asset in part-time employees. Prudential found that since retired employees are familiar with company policies and procedures, they can be reemployed with less transition and training than new hires or temporary hires from outside agencies.

Government Employees Insurance Company

The Government Employees Insurance Company (GEICO) is a major insurance company headquartered in Washington, DC. Faced with a shrinking labor market, GEICO amended its pension plan in 1990 to rehire its retirees on a temporary, part-time basis without suspending their pension benefits.

This amendment enabled GEICO to meet its need for qualified employees and to create part-time jobs for its retirees. Occasionally, retirees from other companies have also been hired. Retirees can work on an ongoing basis or take time off (up to six months) between assignments. Interested retirees must apply for the jobs.

Classified as "working retirees," these rehires are paid an hourly rate based on the salary range of the new assignment which may not equal the hourly rate they received as a salaried employee. Rehires are ineligible for additional company benefits—other than holiday and vacation pay and any retirement benefits to which they are already entitled.

Rehired: Former Employees Trained and Ready to Return to Work

Instead of hiring "temps" from an outside agency, some firms prefer having a pool of their former employees familiar with company policies and procedures. Not only are training costs low, but managers need only pick up the phone to add employees to meet larger workloads.

The Travelers Companies

An example of this approach is the "Older Americans Program" at the Travelers Companies, one of the nation's largest diversified insurance, financial and health services corporations. The Hartford, CT, based company started a "Retiree Job Bank" after a survey of its retirees and older employees indicated many wanted to work part-time after retirement.

The job bank was originally opened only to Travelers retirees. By 1985, supervisors were requesting double the number of available retirees. Travelers decided to hold an "Un-Retirement Party," a job fair to recruit retirees from other companies. Over 700 retirees attended and 300 were interviewed and unretired that day.

The job bank became so successful that it has expanded into an in-house temp agency called TRAV Temps which recruits for all temporary positions within the organization.

TRAV Temps offers part-time employment to retirees while it meets the company's need for experienced, reliable temporary workers. It matches retirees' skills and schedules with job openings.

Approximately 500 retirees are registered in the job bank and in any given week about 140 are working. Retirees fill in during peak periods, delays in new hires and employee absences due to vacations, illness or personal leave. They are assigned at all levels including clerical, secretarial, word-processing, research, customer service, underwriting and claims adjustment. Their pay is based on their skills and years of experience.

As with many information and service sector businesses, Travelers employees at every level use computers to do their jobs. In order to keep retiree skills up to business needs, retirees are encouraged to take training courses. In addition to significant savings, the company also gains from the experience, reliability and productivity retirees bring back to the company.

GE Information Services

In 1989, GE Information Services (GEIS), a division of the General Electric Company headquartered in Rockville, MD, founded and introduced Golden Opportunity, a program designed to utilize the skills of GE retirees.

Golden Opportunity participants work on a

contract basis up to 1,000 hours per year while receiving full pensions and associated benefits. Participants are individual contractors and are paid an hourly wage based on their previous annual salary.

Most participants are professionals and many have chosen to work the 1,000-hour maximum. Hours and workdays are flexible and negotiable. Interested managers can request specific participants or ask for skills/availability data.

The program is considered a "win-win" situation with no downsides. Managers welcome the chance to tap into this highly developed skills bank and the retirees welcome the opportunity to use their skills and to supplement their pensions. Golden Opportunity has served as a model for many divisions of GE where similar programs have been introduced.

Full-Time Opportunities for Experienced Workers

As more and more business leaders realize the demographic implications of our aging society, they are increasingly concerned about retaining the skills and experience of older workers.

Facing a shortage of workers in critical positions, some companies are making policy changes to encourage experienced workers to continue working.

The Aerospace Corporation

The Aerospace Corporation, in Los Angeles, relies heavily on the skills and experience of older workers. The company has 105 full-time regular employees who are 65 years old or older; the oldest is a 79-year-old engineer.

The 105 are in jobs at all levels, ranging from engineers and scientists to office, service and shop workers. The company values continuity on long-term projects and an "institutional memory."

University of California, Hastings College

Founded in 1878, Hastings College of the Law, located in San Francisco, functions as a semiautonomous unit within the University of California educational system. In the 1940s, Hastings operated on a limited budget but wanted to improve the quality of its staff by hiring "academic" lawyers with long-term university experience.

Since Hastings had no mandatory retirement age, positions on the school's faculty were offered to law professors who were being forced to retire from other institutions. In this manner, Hastings added a number of distinguished legal educators to its faculty. In fact, for some years after 1948, Hastings did not hire any full-time faculty members under the age of 65.

These experienced professors retained their pensions from all previous employment and, in addition to receiving a salary, could participate in Hastings' TIAA–CREF (Teachers Insurance and Annuity Association of America–College Retirement Equities Fund) plan.

As a group, they became known as the "65 Club." During the 1951-52 academic year, they provided almost 70 percent of all instruction at Hastings. Until the 1971-72 academic year, the "65ers" provided at least 50 percent and occasionally as much as 90 percent of the instruction.

Currently, the Hastings faculty consists of approximately 55 full-time faculty members, 10 of whom are members of the "65 Club." Many of the members teach well into their 80s. Their course loads range from first year classes to specialized seminars. They are considered a mainstay of the College.

Citizens Insurance Company of America

Citizens Insurance Company of America, headquartered in Howell, MI, has an informal practice of hiring its own and other companies' retirees for part-time positions. As of 1992, Citizens had 95 retirees, 10 percent of whom were rehired for jobs similar to those held prior to retirement.

Attempts are made to schedule work to fit Social Security requirements and the preference of retirees. In the past several years, the job-sharing concept has been explored and implemented with some success. Retirees or older workers, thought to be prime beneficiaries of such an arrangement, have not used this option as much as women with young children. Rehired retirees working part-time receive some prorated fringe benefits.

Globe Dye Works Co., Inc.

Globe Dye Works Co., Inc. is a family-owned yarn-dyeing business based in Philadelphia, PA. The management of Globe Dye Works has actively worked to retain long-term employees and has succeeded in retaining many workers into their 80s. Management feels that Globe has a commitment to its employees and that age is not an indicator of ability.

The management emphasizes a commitment to its employees and believes that retaining employees beyond normal retirement age is

good for operations. The company values long-term employees for their wealth of experience and knowledge of the business.

Their retention of experienced workers also serves as a positive influence on the morale of younger workers, who see this policy as a reflection of their future security.

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The Aerospace Corporation

A federally funded research and development center, The Aerospace Corporation, based in Los Angeles, applies science and technology to national security programs. The corporation operates an extensive training program in which older workers often participate.

There are two types of training: management and technical. Management training is particularly useful because of the policy of internal promotion which moves engineers into managerial positions. Also, Aerospace supports a variety of full-time tuition reimbursement plans and short-term educational assignments.

These individualized educational plans allow employees to design a series of special studies which may last from 90 days to six months. During that time, the employee receives normal pay as well as reimbursement for educational expenses. At one time, a 55-year-old engineer designed such a program in order to study the feasibility of wind-generated power sources.

AT&T Bell Laboratories

AT&T Bell Laboratories, headquartered in Holmdel, NJ, has a longstanding commitment to the continuing education and training of its employees. This research and development arm of AT&T offers a variety of technical education and training opportunities to its

employees through the AT&T Technical Education Center.

The Center offers continuing professional training through in-house and sponsored university programs. Opportunities include technical courses and graduate study. Among training opportunities most relevant to experienced workers is the Continuing Education Program (CEP).

The CEP was introduced in 1969 to help employees stay up-to-date with rapid technological changes, to prepare them for new jobs and to improve performance on current jobs. An increasing number of organizations within AT&T are now requiring employees to satisfy minimum annual training and education requirements.

Courses are taught mostly during working hours by AT&T staff members, university faculty and outside experts. There are numerous courses that focus on areas such as telecommunications, data networking, software engineering and programming. Many of these courses are highly specialized and advanced, and are not generally available in the academic community; many introductory level courses are also available.

Employees register for CEP courses largely on a voluntary basis, with management agreement. While most courses are taken on a pass/withdrawal basis, some are on a pass/fail basis. A sister organization, the AT&T School

of Business, offers a number of courses that address career stages and issues facing the experienced worker.

Grumman Corporation

Headquartered in Bethpage, NY, Grumman Corporation provides a diversity of training programs to encourage the career development of employees, many of which are utilized by middle-aged and older workers.

They include management development, professional development and computer and office automation skills courses. The company's Performance Appraisal Program is used to assess career development needs and to design new training programs.

Home Shopping Network

At the Home Shopping Network, in Clearwater, FL, experienced workers, called Prime Timer employees, complete a pre-training program with a two-hour orientation period. This orientation is followed by a six-day, 36-hour comprehensive, classroom training, and on-the-job training with an experienced representative.

Once trained, Prime Timer employees work a flexible, part-time shift. The shift times are designed to work within the parameters of the company and the individual. The Prime Timers choose the time frame that best suits them. They may work a minimum of 12 hours to a maximum of 30 hours a week.

Corning, Incorporated

Corning Incorporated, headquartered in Corning, NY, is a large manufacturer of glass and ceramic products with approximately 26,000 employees worldwide.

Corning has a tuition reimbursement program available to all company employees in the United States. The percentage of reimbursement is based on the grade received. Employees must enroll in an approved degree-seeking program or take job-related courses to be reimbursed.

Most courses taken are in technical areas or business administration. Although evening courses are preferred, employees are permitted to take time during the work week to attend classes. All age groups participate.

Since the mid-1960s, Corning has offered employees both unpaid and paid educational leaves of absence, which must be approved by the division head. Employees granted unpaid leaves are typically enrolled in full-time degree programs. Their jobs or similar ones are guaranteed upon their return. During this time, they continue to accrue service time and can pay their own premiums to continue receiving group medical coverage. With a paid leave of absence, the employee's tuition is reimbursed and full salary is paid.

Passing on the Experience of a Lifetime

Experienced employees at AT&T or The Aerospace Corporation, for example, are sometimes students, but they are often teachers. Some teach in a classroom, while others share what they know on the job. The training and education of an experienced worker does not end with the individual but is passed on to others.

Focus: HOPE

Passing on skills is the mission of Focus: HOPE, a small organization in Detroit. In 1981, this group established the Machinist Training Institute to prepare young men and women to meet a critical need for skilled machinists in southeastern Michigan and to help reduce the high unemployment problem.

Since the Institute's beginning, retired industry experts have taught for modest wages, offering their wealth of experience to the next generation of machinists. Instructors include Henry Ford Trade School graduates, engineers, inventors, technical educators and highly skilled and accomplished machinists. They work full and part-time. Typically, instructors have 20 to 35 years of experience.

Demand for the new machinists is high. Over 100 companies have hired graduates of Focus: HOPE. By 1992, the Institute had graduated more than 800 students, 97 percent of whom have found jobs.

Two Part-Time Employees for One Job

A number of firms allow employees to split a single full-time job into two part-time jobs. The most successful splits are those in which employees, rather than companies, take the lead in dividing tasks and hours and make sure the job gets done.

Job-sharing is popular with employees because it provides them with greater control over their schedules. Businesses benefit from the loyalty and low turnover of employees who share a job they both enjoy.

West Contra Costa Unified School District

The West Contra Costa Unified School District is a large, urban area located near San Francisco. The school district has hired retirees and reentry workers who want to supplement their incomes and offered them job opportunities that can be tailor-made. The school district has designed flexible work opportunities including full-time, part-time and temporary positions. Job-shares are also available.

The school district employs qualified, experienced workers for teaching, clerical and building maintenance positions. Job shares are available where two teachers, with the agreement of their principal, can share the duties, salary and benefits of one job. Instructors must have a college degree and have successfully completed CBEST, a basic skills test.

The school district advertises and lists job vacancies with senior centers and service organizations. The school district also has worked with the private sector to locate qualified job applicants.

Levi Strauss & Co.

Levi Strauss and Co. (LS&CO), in San Francisco, CA, is the world's largest clothing manufacturer with a domestic work force of approximately 27,000 employees. The company offers flexible work options including job-sharing opportunities where one full-time job may be equally shared by two employees. Benefits are prorated; scheduling and responsibilities are worked out on an individual basis between the job-sharers and their managers. The job-sharing program has been successfully utilized by staff in various positions from clerical to professional.

In addition to job-sharing and preretirement/life planning seminars, Levi Strauss also offers part-time opportunities to full-time employees nearing retirement as a phased retirement option. Since a Work/Family Survey was conducted in 1990, LS&CO has developed more flexibility in work hours throughout the company. Now employees of all ages are better able to balance work and personal lives.

Matching Jobs and Workers

Given an opportunity to change jobs or modify the nature of their work, many retirement-eligible employees choose to continue working over retirement.

Tektronix, Inc.

Founded in 1946 and headquartered in Wilsonville, OR, Tektronix, Inc. is a designer, manufacturer and worldwide seller of test and measurement instruments, color printers, computer displays and other electronic equipment. The company has 10,000 employees.

While Tektronix has no programs specifically for older workers, Tektronix' policies and benefit programs provide older workers with many choices and benefits for their employment.

Tektronix, Inc. offers career planning, rehiring of retirees, job-sharing, flexible schedules or a reduced workweek, retirement planning, individual job redesign (in cases of employees with physical limitations) and other policies and programs of benefit to experienced workers.

As needed, the company continues to redesign jobs for employees with physical limitations. Human resource personnel work with the employee, the company nurse and the employee's doctor to make a suitable

accommodation to the employee's physical limitations.

Working Away From the Work Site

Flexible hours expand the work schedule to the mutual benefit of workers and employers. Some companies have taken the concept of flexibility outside the office and factory.

U S WEST

U S WEST, headquartered in Englewood, CO, has several programs and practices that benefit experienced workers. Depending on specific work functions, employees can work at home through a "telecommuting" program and can select flexible work scheduling.

U S WEST is one of the regional companies created by the breakup of AT&T. The company has a diversified group of subsidiaries including operations in international markets, real estate, publishing and financial services.

The company has a number of employees who work at home, many of whom have telecommuted for more than five years. The company believes telecommuting fosters a climate that frees the full potential of the individuals to develop their career.

The decision whether to telecommute is a mutual one between the employee and the supervisor. Not all jobs lend themselves to telecommuting. The supervisor must be con-

fident that the work can be accomplished away from the job site. A project description, including assigned duties, due dates, training or evaluation dates and record-keeping requirements, is developed jointly by the supervisor and the employee prior to starting the arrangement.

In addition to telecommuting, U S WEST provides flexible work scheduling, extended health and dental benefits, and training in career development with potential tuition reimbursements. Working through an independent temporary employment agency, retirees may contract their services to the company on a full or part-time basis. If they are rehired directly, their pension payments may be suspended.

Wells Fargo and Company

Wells Fargo and Company, in San Francisco, CA, is a national banking holding company and the second largest bank in California. The company offers alternative work arrangements, where available, to enable employees to negotiate a work schedule with their manager that is flexible enough to meet their personal needs.

For instance, the company offers a flextime policy where employees choose their starting and quitting times, within limits set by their manager. A 40-hour compressed workweek is also available. Other options include

salaried part-time positions requiring at least 17.5 (but fewer than 40) hours each week or hourly compensation for fewer than 17.5 hours a week.

Two people can also share one full-time job and, in some instances, employees can telecommute work at home via computer, fax and/or telephone during part of their workday.

Providing an Effective Transition to Retirement

As employees near retirement, most are faced with the stark choice between full-time work and full-time retirement. Many individuals choose retirement and later realize they would rather be working part-time or full-time.

To keep valuable experienced workers and make the transition to retirement gradual, some employers have established a middle ground.

Varian Associates

Varian Associates, headquartered in Palo Alto, CA, is a high technology research, development and manufacturing firm with about 8,000 employees.

In 1977, Varian developed a phased retirement program in response to employee requests for reduced work schedules in preparation for retirement. The program, developed by top management, originally had a reduced workweek (at prorated salary) for employees who were at least 60 years old, with a minimum of five years of service, and plans to retire within two years.

In 1982, the requirements were expanded to include employees 55 or older with a minimum of five years of service who plan to retire within three years. The program can now also extend beyond age 65.

A participant's workweek is reduced to four

days during the first year and three days during the second year. However, other variations are possible as long as employees work at least 20 hours a week. Participation is limited to three years. Most participants keep their positions, but reassignments are made if scheduling changes cannot be accommodated in the department. According to program guidelines, if necessary, supervisors may need to be reassigned to nonsupervisory positions, but it is not always the case.

Participants must apply to their supervisor at least three months in advance in order to find replacements and alternate jobs. Supervisors, in consultation with their managers, determine if a replacement is needed and whether a suitable alternative job is available.

It is possible to return to full-time employment if the reduced work schedule results in economic hardship.

Participants retain full medical and dental benefits although their personal paid leave accruals are reduced in proportion to the number of hours worked. Other benefits such as disability, life insurance and employer contributions to the retirement plan and stock purchase plan are prorated.

Participants are eligible for merit increases, overtime (although not anticipated) and holiday pay (if the holiday falls on a scheduled workday). They also qualify for full educational assistance, 100 percent for tuition, fees

and books for job-related courses.

Varian rehires company retirees for indefinite part-time or full-time temporary positions depending on business conditions and requirements.

Corning, Incorporated

In 1982, Corning, headquartered in Corning, NY, announced a phased retirement option known as the "40% Work Option" for salaried professionals. Through this program, management offers selected employees an opportunity to retire and collect their pensions, and at the same time return to work at 40 percent time (or two days a week). They would be paid 40 percent of their preretirement salaries.

They would continue to receive full medical benefits, prorated vacation leave and can earn merit increases on a prorated basis. Their life insurance benefits would be reduced, as they are for all retirees, one-third at the time of retirement and another one-third reduction over the next five years.

To qualify for the "40% Work Option" program, an employee must be at least 55 years old, with a minimum of 20 years of service with the company and must be in a job that will not require the employee to be replaced by adding someone to the payroll.

The Aerospace Corporation

Because management values an "institutional memory" and continuity on long-term projects, The Aerospace Corporation, in Los Angeles, CA, has developed the Retirement Transition Program consisting of four components: preretirement leave of absence, part-time status in preparation for retirement and post-retirement employment on a casual or consulting basis.

Post-retirement casual employment is by far the most popular option. As needed, Aerospace hires its own retirees as "casual" employees who retain their pension benefits. They can work up to 999 hours a year and usually continue working on the assignments they held prior to retirement. It is possible for individuals to accrue pension benefits in their first year of retirement.

In a given year, Aerospace has employed more than 360 retiree casuals of whom close to 80 percent were engineers and scientists. In addition to their "institutional memory," these employees are valuable because they are already well trained for their jobs.

Rehearsal for Retirement

Like phased retirement, rehearsal retirement reduces work hours. Employees enrolled in either type of transition have a period of time to reconsider their decision to retire. Rehearsal for retirement also offers the option

for a leave of absence so the employee has several months of trial retirement.

Those who decide not to return to work extend their rehearsal into full retirement. Those who decide to return can choose full or part-time employment.

Polaroid Corporation

Polaroid Corporation, headquartered in Cambridge, MA, offers a variety of options and programs to prospective retirees to help retirement-eligible employees understand and make informed decisions about their retirement.

All options are presented to interested company employees during a preretirement and counseling series. The company's policies and philosophy focus on the dignity of the individual throughout that person's work life and into retirement.

Flexible work alternatives include rehearsal retirement, tapering-off, temporary or permanent part-time work, flexitime, consulting contracts and membership in a retirees' pool to work during peak periods.

The two most commonly used options at Polaroid are rehearsal retirement and tapering-off schedules. Rehearsal retirement gives potential retirees an unpaid leave of absence of up to six months to try out retirement before deciding whether or not to retire per-

manently. During the leave, which averages three months, the employee accrues no benefits, although participants may pay their own premiums and continue receiving group insurance coverage. Of those who have tried rehearsal retirement, about half have returned to work full-time.

"Tapering-off" schedules are designed as a transition to retirement. With this plan, the employee's number of hours per day, days per week or weeks per month is reduced for as long as three to five years. Specific arrangements are individually negotiated between employee and supervisor. Employees who elect a tapering-off schedule are paid for the hours they work; if they work more than 1,000 hours a year, most benefits continue on a prorated basis. Employees continue to receive full medical insurance and prorated pension credits.

In addition, in the past, retirees (primarily engineers and technical employees) have occasionally been rehired on a consulting basis under a single proprietor contract. Retirees can be rehired through an independent employment agency or through the company's Retiree's Pool, which operates informally during peak work periods.

Wells Fargo and Company

Since 1977, Wells Fargo, in San Francisco, CA, has had a sabbatical program called "Personal Growth Leave," where all employees in good standing with ten or more years of full or part-time service are eligible for a fully paid leave of absence of up to three months. Because the program is not intended to ease people into retirement or to enable them to retire three months early, but rather to serve as a refresher, a stipulation was added that the employee must plan to return to the company at the end of the leave.

Employees interested in taking a personal growth leave must apply for it and clearly state in writing their plans for study or development during the sabbatical. Requests involving purely leisure activities, such as travel, are not granted. When they return, a written report is required, describing the gains from the leave.

A special payroll was established so that employees on leave would receive full benefits. Procedures were also established on an executive level to guarantee the employee the same or similar job upon return.

Annually, employees with 10 or more years of service receive a letter from the company president encouraging them to apply. This program was designed to facilitate personal growth and to prepare employees for retirement life, including second careers.

Many participating employees have used the time off to pursue interests which became livelihoods or second careers upon their later retirement. One employee with Wells Fargo for 40 years, for example, used the sabbatical to take courses in geology and jewelry-making. When he retired from the company several years later, he began making and selling jewelry out of his home. Similarly, a woman who wanted to open a bakery when she retired in two years used her leave to take business and bookkeeping courses, in addition to cooking classes.

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For More Information

Businesses cited in this publication are in business to make money—and they do. By their willingness to ignore stereotypes and to look objectively at experienced workers, they have discovered a vast source of talent and experience many of their competitors have overlooked.

AARP is the nation's leading organization for people age 50 and over. It serves their needs and interests through legislative advocacy, research, informative programs and community services provided by a network of local chapters and experienced volunteers throughout the country. The organization also offers members a wide range of special membership benefits, including *Modern Maturity* magazine and the monthly *Bulletin*.

AARP is committed to expanding employment options for experienced workers. Its Work Force Programs Department offers publications and information to employers working to better utilize the skills and experience of older workers. Among publications available at no charge are:

- How to Recruit Older Workers (D13279)
- How to Train Older Workers (D13287)
- How to Manage Older Workers (D13288)
- Social Security Q & A (D13761)
- Americans with Disabilities Act (ADA) Fact Sheet (D14933)
- Age Equity in Employment: A Checklist for Employers (D13825)

- Business and Older Workers: Current Perceptions and New Directions for the 1990's - a study by DYG, Inc., a major national research firm (D13827)
- *Working Age*, a bimonthly newsletter highlighting employment trends - (Subscriptions are free of charge to companies and organizations requesting a subscription on their stationery.)

For multiple copies (up to 50) of these publications, send requests with title and stock number to the address below:

AARP Fulfillment
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(Please allow 6 - 8 weeks for delivery of all publications.)

Employers can receive more information on ways other employers are recruiting, training and managing experienced workers. Contact Business Partnerships for a free NOWIS Information Kit.

To receive single copies of the Work Force Programs publications listed, send requests with title and stock number to:

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